



Date: November 18, 1999 Mass Mailer #99-21

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER PERTINENT INFORMATION**

On October 27, 1999, the State Allocation Board (SAB) apportioned \$101.3 million for School Facility Program (SFP) new construction and modernization projects, \$0.6 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$1 million for Deferred Maintenance Program critical hardship projects, and \$0.4 million for Year-Round Schools Air-Conditioning/Insulation projects. The above numbers include requests for financial hardship. As of October 27, 1999, approximately \$2.4 billion has been allocated for new construction, modernization, and Class Size Reduction (CSR) projects from Proposition 1A.

#### Consent Calendar

The cost index under the LPP for the Class B Index increased from 1.34 to 1.35, the Class D Index increased from 1.33 to 1.35, the Furniture/Equipment Index increased from 1.35 to 1.36, and the Historical Savings Index increased from 6.19 to 6.21, effective October 1, 1999.

The consent agenda included LPP bid approvals and ongoing project cost increases. In addition, the SAB approved 60 eligibility applications and 79 funding grant applications for new construction projects for the SFP. The SAB also made "unfunded" approvals for 50 modernization projects in the amount of \$60 million.

#### Status of Funds

The balance of funds available from Proposition 1A, excluding Class Size Reduction funds, is approximately \$672.5 million. There is approximately \$39.3 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. A report was presented to the SAB indicating that 95 percent of the Proposition 203 funds have been released to the applicant districts. The remaining five percent is comprised primarily of funds for deferred construction items. This report also provided district survey results, indicating that the majority of the funded Proposition 1A projects have already been bid, and most of the remaining projects will be bid in the next three months.

#### Joint-Use Projects

The SAB accepted a report delineating the joint-use LPP projects funded from both Propositions 203 and 1A. The SAB directed the OPSC to develop a method to identify SFP projects that are involved in joint-use agreements.

Public Utilities Commission Funds-Evaluation of the Education Technology Program

The SAB accepted a report that provided an evaluation of school district expenditures made with Public Utilities Commission funds under the Education Technology Grant Program of 1996.

Force Account Labor Under the SFP

The SAB directed the OPSC to develop a regulation for districts to submit reports when force account labor will be utilized in a SFP project. The proposed regulation will be presented to the SAB at a future meeting.

Multitrack Year-Round Education Adjustments

The SAB directed the OPSC to develop and present a proposed regulation change at its December 8, 1999 meeting, to consider an amendment to the SFP multitrack year-round education (MTYRE) adjustment for high school districts. The MTYRE adjustment proposal is eight percent of the high school district capacity for the high school district filing on a high school attendance area basis.

SFP Project Savings Report

The SAB accepted a report to clarify the existing SFP Regulations and current processing procedures on the use of project savings. Please refer to our correspondence dated November 8, 1999 for further information on this topic, a copy of which can be found on our Internet site.

Withdrawal and Resubmittal of Applications Based on Final Regulations

The SAB adopted an amendment to the SFP Regulations to incorporate Section 1859.107, Amending and Withdrawal of Applications. Please refer to our correspondence dated November 8, 1999 for further information on this topic, a copy of which can be found on our Internet site.

SFP Parking Garage Funding

The SAB adopted an amendment to SFP Regulation Section 1859.76, to authorize as a service site development costs the construction of multilevel parking structures on impacted sites. The OPSC is unable to accept requests for SFP parking garage funding until this amendment has been approved by the Office of Administrative Law (OAL). Districts will be notified when this occurs.

SFP Site and/or Design Hardship Funding

The SAB adopted an amendment to SFP Regulation Section 1859.81 to allow the State's share of a financial hardship project to be funded with hardship funds until the new construction or modernization final grant is made for the project. As a result, the SAB approved separate design funding for certain modernization projects from funds available for hardship. The affected districts will be notified by separate letter. For specific information regarding your SFP application, please contact your Project Manager.

Class Size Reduction Funding

The SAB approved the transfer to the California Department of Education (CDE) of approximately \$34.4 million of Proposition 1A funds for CSR purposes. For specific information regarding this funding, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

Other Issues

- The OAL approved the final SFP Regulations and filed them with the Secretary of State on October 8, 1999. The revised SFP forms and the final Regulations are now available on the OPSC Internet site.
- The November and December SAB meetings will be combined and held on December 8, 1999.
- As a result of the signing of Assembly Bill 636, the California School Finance Authority (CSFA) Interim Financing Program is now in effect. For specific information regarding the Interim Financing Program for modernization projects, please contact Lisa Presta, Executive Director, CSFA, at [lpresta@treasurer.ca.gov](mailto:lpresta@treasurer.ca.gov), (916) 653-2913 or (213) 620-4467.

Copies of the applicable SAB actions can be found on the OPSC Internet site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

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